Alberta Economy

Indicators at a Glance

Economic Activity

The Alberta Activity Index (AAX) was up 3.7% year-over-year (y/y) in November and is up 5.2% year-to-date. Alberta's real GDP by expenditure fell by 3.7% in 2016, the largest drop among the provinces for the second year in a row.

Population

Alberta's population was 4,306,039 as of October 1, 2017, an increase of 1.3% from the year prior. Canada's population grew 1.3% from a year ago.

Migration

Net migration to Alberta was 11,106 in the third quarter of 2017. During this time, Alberta welcomed 10,363 net international migrants, while there was a net inflow of interprovincial migrants (+743) for the first time in eight quarters.

Employment[1]

The economy lost 5,900 jobs in January, as declines in part-time positions offset gains in full-time. Despite the monthly drop, employment rose 2.0% y/y, reflecting employment gains in both the goods (+6.0% y/y) and services (+0.7% y/y) sectors.

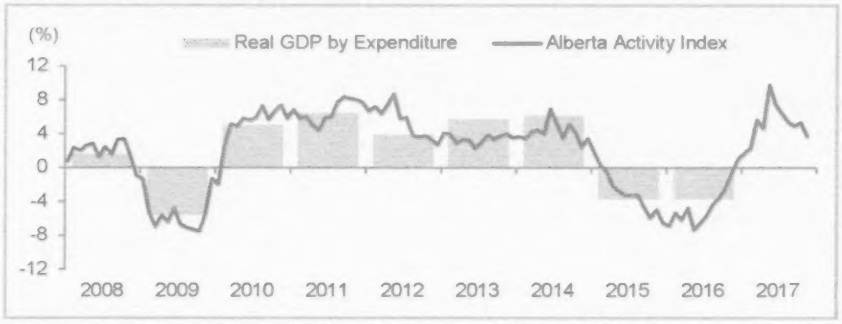
Unemployment Rate[1]

Alberta's unemployment rate was unchanged at 7.0% in January. Canada's unemployment rate ticked up 0.1 percentage points to 5.9%.

Rigs Drilling

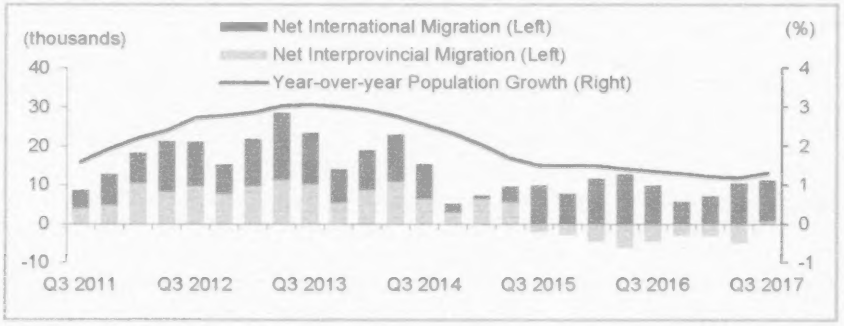
The number of active rigs in Alberta averaged 197 in January, down 0.9% y/y. The average rig utilization rate was 47%, up from 44% a year ago.

Economic Activity
Year-over-year % change



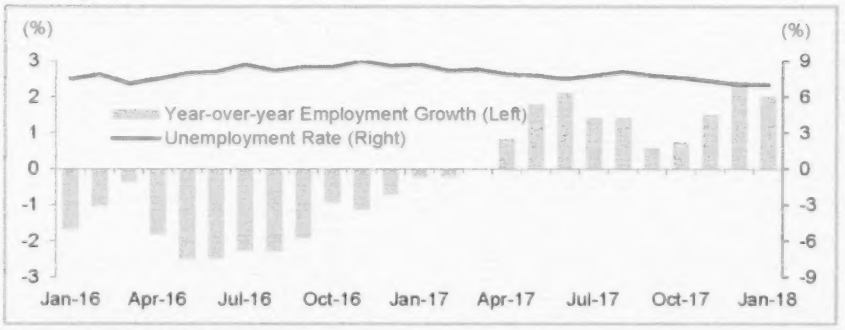
Sources: Statistics Canada and Alberta Treasury Board and Finance

Demographics
Quarterly



Source: Statistics Canada

Labour Market
Monthly



Source: Statistics Canada

NEW: Inflation

The annual Inflation rate in Alberta dipped by 0.6 percentage point to 1.4% y/y in January, reflective of an annual decline in natural gas prices. Excluding food and energy prices, core inflation also fell by 0.1 percentage point to 1.0% y/y.

NEW: Average Weekly Earnings[1]

Average weekly earnings (AWE) in Alberta ticked up by 0.1% m/m in December to $1,149. Earnings increased 1.2% y/y as gains in services sector earnings more than offset declines in the goods sector.

NEW: Retail Sales[1]

Alberta retail sales fell 0.5% m/m to $6.7 billion in December. Retail sales are up 4.7% y/y, the thirteenth consecutive month of year-over-year gains.

Housing Starts[1]

Alberta housing starts increased 8.8% m/m in January to 25,365 units (annualized). Housing starts were up 36% y/y, with gains in both multi-family (+73% y/y) and single-family starts (+17% y/y).

New Housing Price Index

In December, Alberta's New Housing Price Index (NHPI) ticked up by 0.1% y/y. The house-only component was unchanged, while land prices were up (+0.3% y/y).

Building Permits[1]

Alberta building permits were up 36% y/y in December to $1.1 billion, led by residential permits (+63% y/y). Non-residential permits (+1.9% y/y) was also higher than a year ago.

[1] Seasonally adjusted

Contact

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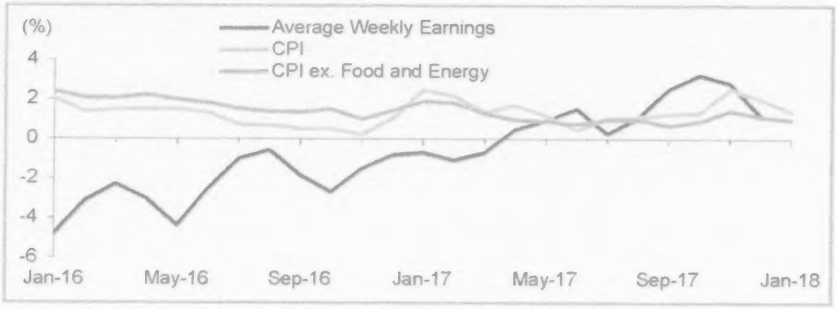
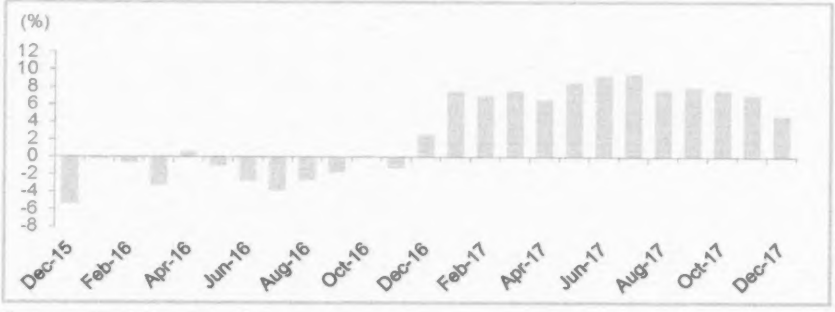
Inflation and Earnings
Monthly, year-over-year % change



Source: Statistics Canada

Retail Sales
Monthly, year-over-year % change



Source: Statistics Canada

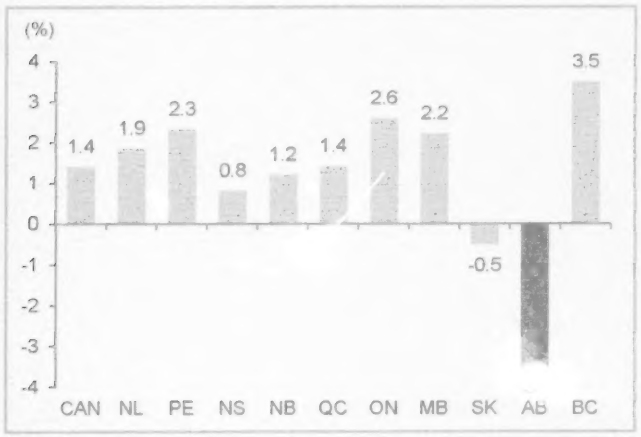
Housing Market
Monthly

Source: Statistics Canada, Canada Mortgage and Housing Corporation

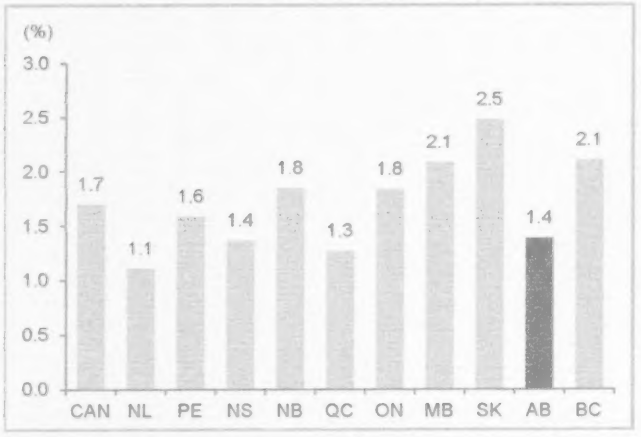
	Canadian Dollar (US¢/$CAN)	WTI Oil ($US/bbl)	NYMEX Natural Gas ($US/MMBtu)	Alberta Reference Price ($C/GJ)
Latest (February 22, 2018)	78.68	62.77	2.63	1.82 (December)
Fiscal year-to-date	78.03	52.53	2.99	1.87

Please see the *Weekly Economic Review* for current analysis on the Alberta economy.

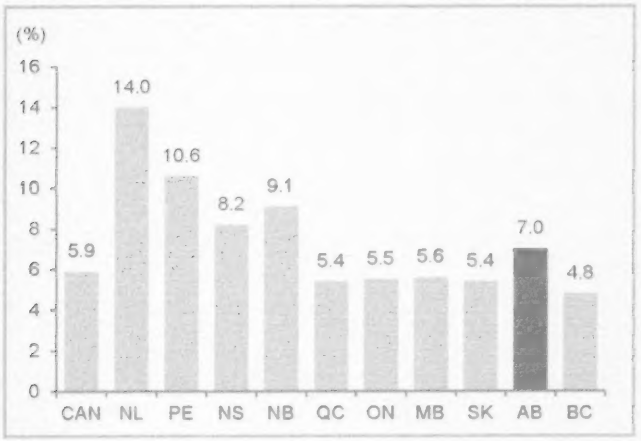
Real GDP by Expenditure
(2016, year-over-year growth)



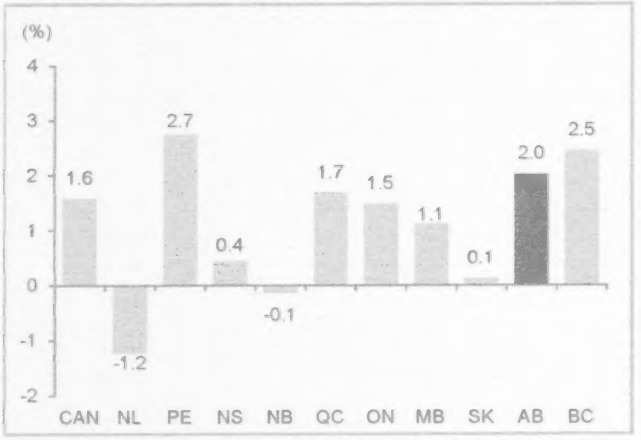
CPI Inflation
(January 2018, year-over-year growth)



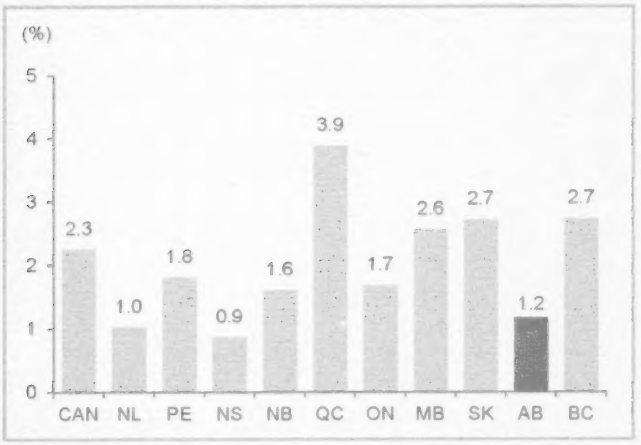
Unemployment Rate
(January 2018)



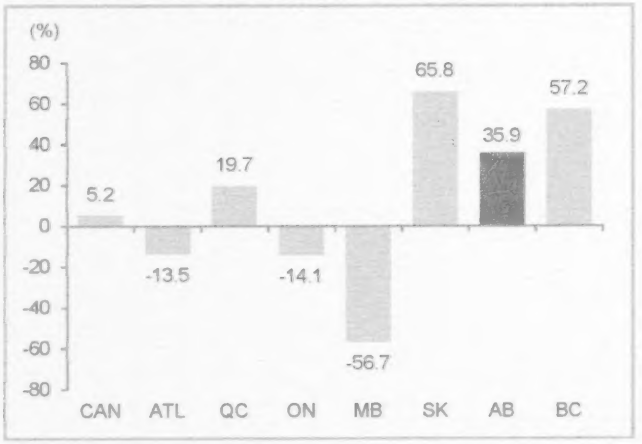
Employment
(January 2018, year-over-year growth)



Average Weekly Earnings
(December 2017, year-over-year growth)



Housing Starts
(January 2018, SAAR, year-over-year growth)



Alberta Economic Indicators

	2016	2017YTD	2018YTD	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18
Alberta Activity Index (y/y % change)	-4.4	5.2		5.4	4.9	5.3	3.7		
Population[1]									
Population (thousands)	4,236	4,286	4,306			4,306			
y/y % change	1.4	1.2	1.3			1.3			
Net Interprovincial Migration	-15,108	-15,131	743			743			
Net International Migration	42,102	33,210	10,363			10,363			
Labour Market									
Employment (thousands, SA)	2,264	2,287	2,315	2,288	2,282	2,293	2,300	2,320	2,315
m/m change (thousands)				2.6	-5.2	10.5	7.1	20.4	-5.9
y/y % change	-1.6	1.0	2.0	1.4	0.6	0.8	1.5	2.4	2.0
Unemployment Rate (%, SA)	8.1	7.8	7.0	8.1	7.8	7.6	7.3	7.0	7.0
Participation Rate (%, SA)	72.5	72.4	72.2	72.5	72.0	72.2	72.1	72.4	72.2
NEW Average Weekly Earnings ($, SA)	1,119	1,129		1,133	1,144	1,140	1,147	1,149	
y/y % change	-2.4	1.0		1.1	2.5	3.2	2.8	1.2	
Household Sector									
NEW Retail Sales ($ million, SA)	75,110	80,734		6,713	6,749	6,797	6,770	6,740	
y/y % change	1.2	7.5		7.7	8.0	7.5	7.1	4.7	
New Vehicle Sales (units, thousands)	224	249		22	23	20	19	16	
y/y % change	-7.6	11.2		18.4	9.8	17.4	-0.7	0.5	
NEW Consumer Price Index (y/y % change)	1.1	1.6	1.4	1.1	1.3	1.3	2.5	2.0	1.4
NEW Excluding Food & Energy	1.7	1.1	1.0	1.0	0.7	0.9	1.4	1.1	1.0
Housing Starts (SAAR, 000's)	24.5	29.5	25.4	26.2	29.2	29.7	34.7	23.3	25.4
y/y % change	-34.2	20.1	35.9	31.6	2.7	16.5	37.7	-11.2	35.9
New Housing Price Index (y/y % change)	-0.5	-0.2		0.1	0.3	0.4	0.4	0.1	
Resale Home Sales	54,798	57,167	4,971	4,580	4,622	4,507	4,755	5,678	4,971
y/y % change	7.6	4.3	3.3	0.1	0.9	-9.9	11.5	17.8	3.3
Sales to New Listing Ratio	0.50	0.49	0.54	0.47	0.47	0.47	0.50	0.58	0.54
MLS Average Resale Prices ($ thousands)	397	398	392	395	393	399	387	386	392
y/y % change	0.3	0.4	-1.5	0.0	1.9	0.2	-3.2	-4.6	-1.5
Consumer Bankruptcies (level)	5,427	4,658		450	404	450	403		
y/y % change	26.8	-7.3		2.5	-11.8	2.3	-13.3		
Business Sector									
Goods Exports (customs based,$ million)	79,213	100,285		8,087	7,427	8,452	8,426	9,103	
y/y % change	-14.3	26.5		13.8	1.7	19.6	7.2	14.8	
Energy Products ($ million)	51,594	69,579		5,696	4,985	5,785	5,803	6,528	
y/y% change	-17.5	34.9		18.1	4.7	24.2	5.1	17.8	
Agricultural Products ($ million)	6,284	7,303		517	496	741	654	607	
y/y % change	-2.9	16.2		18.5	4.8	35.3	7.1	9.7	
Rigs Drilling	79	131	197	126	127	133	143	156	197
y/y% change	-34.0	66.0	0.9	66.8	59.7	31.3	32.4	2.9	0.9
Manufacturing Shipments ($ million, SA)	62,703	71,324		5,880	5,885	6,056	6,169	6,241	
y/y% change	-8.0	13.7		9.7	10.7	14.9	12.2	11.7	
NEW Wholesale Trade ($ million, SA)	71,765	79,363		6,664	6,689	6,784	6,748	6,809	
y/y% change	-9.6	10.6		10.6	13.9	14.9	13.5	10.5	
Building Permits ($ million, SA)	14,200	14,236		1,153	1,320	1,006	1,268	1,130	
y/y% change	-15.2	0.3		5.4	11.7	50.5	17.7	35.6	
Residential Permits ($ million, SA)	7,930	8,399		779	695	601	706	750	
y/y % change	-19.7	5.9		29.8	-0.5	56.1	17.4	62.7	
Non-Residential Permits ($ million, SA)	6,270	5,837		373	624	404	562	380	
y/y% change	-8.8	-6.9		-24.3	29.4	-38.9	18.2	1.9	
Non-Res Building Cons Price Index[2] (y/y % change)	-2.8	0.5			0.9			1.2	

[1] Population data presented on a census year basis (July 1– June 30). The current census year 2017.

[2] Quarterly, average of Calgary and Edmonton

YTD YTD (year-to-date). "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate. All annual data is unadjusted.

Sources: All data is from Statistics Canada except the Alberta Activity Index (Alberta Treasury Board and Finance), Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada). All historical data are subject to revision